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SUBJECT: SECRETARY SPELLINGS AND CODEL ENZI VISIT TO THE  
"FLAT WORLD" OF BANGALORE

REF: A) CHENNAI 0724, B) NEW DELHI 2549

¶1. (U) SUMMARY: During the first India stop on what they billed as their "The World Is Flat Tour," Secretary of Education Margaret Spellings and CODEL Enzi, consisting of Senator Michael Enzi (R-Wyoming), Senator Lamar Alexander (R-Tennessee), and Senator Johnny Isakson (R-Georgia), visited the city of Bangalore, India's high tech capital. They met with business leaders for a focused discussion of business activity in India and its implications for education from both a U.S. and Indian perspective, visited General Electric's John F. Welch Technology Center for a view of cutting edge scientific research being conducted in India, and toured the expansive campus of Infosys, India's software leader. An additional planned visit to a government school which uses computer technology to enhance its curriculum had to be cancelled due to violence in the city related to the death of a local film superstar (Ref A). END SUMMARY

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BUSINESS LEADERS PROVIDE INSIGHTS  
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¶2. (U) The day in Bangalore began and ended with separate meetings with the local American Chamber of Commerce for breakfast and the combined Indo-American and Bangalore Area Chambers of Commerce for dinner. In each of the meetings, the delegation heard from a wide range of Bangalore business leaders who discussed business trends in their industries and also issues of education, especially the possibility of increased collaboration between India and the United States in the areas of science, mathematics and biotechnology among others. Both during the meetings with business leaders and at an evening press conference, Secretary Spellings and Senator Enzi expressed admiration for the high quality and quantity of graduates that India is producing, especially in engineering and related disciplines. Secretary Spellings noted that education was a shared value between the two countries and expressed interest in learning more about how India has so successfully educated its large talent pool. She said that the American Competitiveness Initiative which focuses on mathematics and science learning seeks to help U.S. students succeed in these disciplines.

¶3. (U) It was noted during the discussions that while over 80,000 Indian students are currently enrolled in U.S. universities, only 780 American students are currently studying at Indian institutions of higher learning. Both Secretary Spellings and Senator Enzi said that they expected greater numbers of Americans to study at Indian universities in the future.

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14. (U) The delegation's visit to the General Electric John F. Welch Technology Center showcased the advanced scientific research capabilities of a leading U.S. technology company. GE's Bangalore research center, which occupies more than 500,000 square feet on a 50 acre campus, is one of only four such GE facilities in the world. The others are in Schenectady, New York, Munich, Germany and Shanghai, China. The Center conducts a variety of research and development projects in the areas of mechanical engineering, polymer science, chemical engineering, metallurgy and process modeling and simulation. All of the research conducted bears directly on current or future GE products. The center does not engage in "pure research." Secretary Spellings and CODEL Enzi received a briefing on the Center's activities and a tour of the laboratories and had an opportunity for some hands-on activities while using a computer simulation program that allows for three dimensional manipulation of objects on a computer screen.

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INFOSYS: THE OFFSHORE SOFTWARE PIONEER  
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15. (U) Following their stop at GE, Secretary Spellings and CODEL Enzi made an extended visit to Infosys Technologies Ltd., one of India's largest and most successful consulting and IT service companies. Infosys was one of the pioneers in strategic offshore outsourcing of software services. The delegation was hosted by N.R. Narayana Murthy, Infosys Chairman of the Board and Chief

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Mentor. Also joining the group at Infosys were former U.S. Senator from South Dakota, Larry Pressler and former President of Cornell University Jeffrey Lehman, both of whom are Directors on the Infosys board. Mr. Murthy led a discussion of the company's overall performance and future goals with an emphasis on its search for talent. He noted that Infosys will continue to aggressively seek talent from U.S. universities and that a group of 300 fresh U.S. graduates will begin their training at the company's educational facilities in Karnataka this summer, following which they will return to the United States for their assignments at Infosys' U.S. offices. Also joining the delegation at lunch was Infosys CEO Nandan Nilekani, the person who, as Secretary Spellings noted, author Thomas Friedman credits with coining the phrase "the world is flat."

16. (U) During the delegation's tour of the extensive Infosys campus, which Chairman Murthy personally conducted, the conversation naturally turned to the subject of outsourcing. Murthy said he often addresses the subject with the following anecdote: Some time ago, Murthy began, each morning he would go to his kitchen and open his Godrej (Indian manufacturer) refrigerator, look inside at the food products, all from domestic suppliers, and later he would drive to work in his Indian-made Ambassador model car. Now each morning he opens his General Electric refrigerator, looks inside at the Coca-Cola and other American products, and then drives to work in his Ford car. There is much more to globalization, he concluded, than outsourcing. The venue for Murthy's story was Infosys' "network control center," where several rows of employees sat hard at work at their Dell computers, all running Microsoft software.

17. (U) Coincidentally, a day after the visit, Infosys announced its annual results which showed a 32 percent increase in top line revenue and a 21 percent increase in bottom line profitably compared with the previous year, sustaining its position as one of India's largest and

most profitable software and consulting organizations.

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SEC. SPELLINGS MEETS WITH TEXAS INSTRUMENTS AND GOOGLE  
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18. (U) Secretary Spellings arrived before the CODEL and had two additional meetings, at Texas Instruments and with representatives of Google, India. At Texas instruments she met with Dr. Biswadip (Bobby) Mitra who is Managing Director. Mr. Mitra led them on a tour of the facility and talked extensively about the company's recruitment initiatives at U.S. and Indian universities. He discussed in detail their university level training program which is conducted in conjunction with a local partner, Cranes Software International. This training is designed to make newly recruited university graduates "job ready" and is in response to a common complaint from employers that university graduates are often not fully prepared to assume their job responsibilities despite their university education. Secretary Spellings also met with Arvind Jain who heads Google's center in India for a general discussion of the company's operations in India.

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THE WORLD IS FLAT BUT NOT WITHOUT BUMPS  
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19. (U) Beyond the meetings with business people and companies that represent the "new Bangalore," Secretary Spellings and CODEL Enzi also got a taste of the less glamorous side of south India that is equally a reality in Bangalore. Travel time between site visits was very long because of the traffic congestion that is a fact of life in Bangalore, a city which has grown more rapidly than its infrastructure. Then, the death of a well known local film star brought crowds of people out into the streets. Their emotion at their idol's death turned violent and riots followed during which eight people killed and scores injured (Ref A). A planned visit to a government elementary school which has enhanced its curriculum through the use of computer assisted learning had to be cancelled due to security concerns. As Secretary Spelling pointed out in a press interaction,

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India is a land of contrasts and the delegation saw some of those contrasts first hand during their visit to Bangalore.

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SECRETARY SPELLINGS PROPOSES WASHINGTON FOLLOW-UP  
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10. (U) When she was told about the 300 U.S. graduates Infosys plans to bring to India for training beginning in June/July 2006, Secretary Spellings proposed to CEO Nilekani that the group first come to Washington for meetings. Nilekani quickly agreed with the idea. Secretary Spellings said she would follow-up on the idea

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after returning to Washington.

11 (U) Neither Secretary Spellings nor CODEL Enzi had an opportunity to clear this cable before their departure.

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